Abridged Translation:

The report is not audited and this translation is an abridged version prepared based on the statutory format in Japan for reference purpose only. If there is any discrepancy between this translation and the original Japanese version, the Japanese shall prevail.

Consolidated Financial Results for the Six Months Ended September 30, 2021

November 5, 2021

Company name: **CHIYODA CORPORATION**
Listing: Second Section of the Tokyo Stock Exchange
Stock code: 6366
URL: http://www.chiyodacorp.com/en
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Scheduled date to file Quarterly Report: November 12, 2021
Preparation of Quarterly Supplementary Explanation Material: Yes
Quarterly Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for six months ended September 30, 2021

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended September 30, 2021	147,381	(8.8)	6,297	21.7	6,003	25.8	(15,327)	-
For the six months ended September 30, 2020	161,545	(7.6)	5,174	(63.2)	4,770	(30.7)	5,795	21.0

Note: Comprehensive Income: the six months ended September 30, 2021: (18,634) million yen / (—)%
the six months ended September 30, 2020: 6,363 million yen / (28.8%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
For the six months ended September 30, 2021	(63.24)	-
For the six months ended September 30, 2020	18.32	5.95

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	303,011	14,477	4.7
As of March 31, 2021	329,583	36,747	11.0

Reference: Equity as of September 30, 2021: 14,134 million yen
as of March 31, 2021: 36,399 million yen

2. Cash dividends

	Cash dividends per share				
Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	—	—	0.00	0.00
Fiscal year ending March 31, 2022	—	—			
Fiscal year ending March 31, 2022 (Forecast)			—	—	—

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	300,000	(4.9)	11,000	56.8	9,000	6.4	(14,000)	-	(62.17)

Note: Revision to the latest forecast announcement 2021: None

4. Others

(1) Changes in Significant Subsidiaries during the Period
(Changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies and Accounting Estimates / Restatements
a. Changes in accounting policies due to revisions of accounting standards, etc.: Yes
b. Changes in accounting policies other than a. above: None
c. Changes in accounting estimates: None
d. Restatements: None

(4) Number of issued shares (common stock)
a. Total number of issued shares at the end of the period (including treasury stock)
As of September 30, 2021 260,324,529 shares
As of March 31, 2021 260,324,529 shares
b. Number of treasury stock at the end of the period
As of September 30, 2021 1,357,766 shares
As of March 31, 2021 1,357,723 shares
c. Average number of shares during the period
For the six months ended September 30, 2021 258,966,777 shares
For the six months ended September 30, 2020 258,966,955 shares

*Presentation of Implementation Status of Quarterly Review Procedure
The review procedure of quarterly financial statements based on the Financial Instruments and Exchange Law has not been completed at the time of the disclosure of these Consolidated Financial Statements.

*Proper use of earnings forecasts, and other special directions
The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to a number of factors.

Dividend Status of Class A Shares

Class A Share	Cash dividends per share				
Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	-	-	20.78	20.78
Fiscal year ending March 31, 2022	-	-			
Fiscal year ending March 31, 2022 (Forecast)			-	-	-

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1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

Although there were signs in the second quarter of the fiscal year that the global economy is beginning to recover from the COVID-19 pandemic, the outlook for the future is expected to remain unpredictable.

Under such circumstances, the Group has prioritized the health and safety of our employees and other stakeholders, and we are executing ongoing projects while promptly taking necessary actions in cooperation with our clients.

The business environment in which we operate is undergoing significant changes. These include the accelerating transition to decarbonization/hydrogen energy, the increasingly widespread adoption of low-carbon and renewable energy, and the innovative evolution of digital technologies. In anticipation of these changes, the Group has made developing areas that will pave the way to our future a high business priority. In May 2021 we updated our "Revitalization for the Future" Medium-Term Management Plan (MTMP). Under this plan we will reinvigorate the existing businesses that are bolstering our earnings for now, while also accelerating initiatives in the new business areas that will pave the way for our future.

While securing a reliable stream of income from our existing businesses, we aim to strengthen the new businesses that we regard as growth areas, such as renewable energy, hydrogen, carbon cycling, energy management, and life sciences. By leveraging digital transformation to enhance the business model added value, our aim is to proceed with the renewal of our business portfolio, ensure a stable income base, achieve sustainable growth, and further enhance enterprise value.

On consolidated basis, for the 2nd Quarter of the fiscal year ending March 31, 2022, New Orders amounted to 361,239 million yen (up 500.9% YoY), Revenues amounted to 147,381 million yen (down 8.8% YoY) and Backlog amounted to 1,332,392 million yen (up 18.3% from last FY). Operating Income is 6,297 million yen (up 21.7% YoY) and Ordinary income is 6,003 million yen (up 25.8% YoY). Extraordinary losses of 20,374 million yen are related to the ICHTHYS LNG project, resulting in a profit attributable to the owners of the parent of negative 15,327 million yen (a profit of 5,795 million yen was recorded in the 2nd Quarter of last FY).

The impact of COVID-19 varies according to the project and although its influence on the progress of some projects has been recognized, most projects are progressing, with some realizing cost reductions and increased profits. The figures provided have been estimated following current and reasonable assessments of the influence of COVID-19. Revenue and Cost of Completed Work have been recorded reflecting assessments of total construction costs, the calculation base of construction progress.

Information about the engineering businesses which are reportable segments is presented below.

- Energy

LNG / Gas

【Overseas】
Chiyoda is executing the engineering, procurement, and construction (EPC) phase of LNG plants in Qatar, the USA, Indonesia and Nigeria. In Qatar, EPC phase work for the North Field Expansion (NFE) Project, which is the expansion of four LNG trains with capacity of 8 million metric tons per annum is currently underway. In the United States, the Golden Pass LNG project is in the EPC phase. In Nigeria, we are providing review and other technical support to our partner which is performing the engineering for an LNG project. Otherwise in gas businesses, a group company in Qatar is engaged in a number of renovation and repair projects at LNG/gas processing plants.

【Japan】
EPC phase work is currently underway to reinforce, modify, and repair existing LNG terminals that were built by Chiyoda, to build new gas supply facilities for thermal power plants, and to carry out earthquake and tsunami reinforcement work.

Refinery/Petrochemical

Overseas, the ethylene plant in the USA on the Gulf of Mexico has mechanically completed. Chiyoda is executing the EPC + commissioning (EPCC) phase for a residue fluid catalytic cracking (RFCC) plant in Malaysia.

In Japan, for oil companies, we are carrying out work to improve the competitiveness of refineries, upgrade equipment, and we are also examining compliance with the Basic Act for National Resilience. We have also completed the work needed for existing facilities to meet restrictions on the sulfur content of bunker fuel for ships.

- Environment

Pharmaceutical/Biochemistry/General Chemistry

In the area of pharmaceuticals and biochemistry, EPC phase work is currently underway for an expansion to a recombinant protein vaccine production facility for SHIONOGI & CO., Ltd. and the addition of ancillary facilities. We have completed the basic engineering work for a biopharmaceutical substance manufacturing plant and begun EPC phase work.

In the general chemistry area, to make carbon recycling technology a reality, as part of a collaboration among industry, government, and academia, we are working on the research and development to capture CO_2 and turn it into a raw material, and to produce para-Xylene (PX) by using CO_2 as a raw material. We are also conducting the basic engineering work for a client’s waste plastic recycling business.

We aim to strengthen our capabilities in the field of indoor vertical farming through a business alliance with MIRAI Co., Ltd., a leading manufacturer and operator in this area, and we are working to promote the development of commercial facilities.

Environment/New Energy/Infrastructure

In the environmental protection field, as India tightens its environmental regulations, flue gas desulfurization (FGD) equipment is being deployed at coal-fired power plants, and Chiyoda’s Thoroughbred 121 (CT-121) FGD process has been used in a number of plants.

In Japan, we are providing operational support for a demonstration project to separate, recover, and store CO_2 (carbon capture and storage, or CCS) from thermal power plant fuel gas and carrying out a partial remodeling. We are also executing the EPC phase for flue gas desulfurization equipment at a coal-fired power plant.

In the field of carbon capture and utilization (CCU), under an agreement with Mitsubishi Corporation and the US company Blue Planet Systems Corporation, we are pursuing the development and commercialization of technology to manufacture the aggregate that serves as the raw material for concrete using the CO_2 in exhaust gas.

In the new energy area, Chiyoda is executing the EPC phase work for the construction of the world’s largest storage battery system, a number of photovoltaic (mega solar) facilities, and Japan’s largest biomass power plant that uses wood pellets as fuel. We are also considering entering the field of offshore wind farms, which is expected to become a sizeable market in the future.

In the hydrogen business, we are pursuing concrete studies and discussions with the aim of leveraging the superiority of our SPERA hydrogen™ technology to achieve commercialization. In Europe, along with the Port of Rotterdam Authority, Koole Terminals, and Mitsubishi Corporation, we have begun studying the possibility of building an international hydrogen supply chain in Europe by importing hydrogen on a commercial scale. In Southeast Asia, we are moving ahead on concrete studies toward the realization of a clean hydrogen supply chain business in Singapore in cooperation with Mitsubishi Corporation and Sembcorp Industries, an integrated utilities and urban development firm located in Singapore. In Japan, with an eye towards a future in which the country becomes a large-scale consumer of hydrogen, we are developing plans to transport and supply methylcyclohexane manufactured at the facilities of the Advanced Hydrogen Energy Chain Association for Technology Development (AHEAD) by tanker to a demonstration project at an ENEOS Co., Ltd. Refinery. The AHEAD facilities were built in Brunei Darussalam as a demonstration project under the aegis of the New Energy and Industrial Technology Development Organization (NEDO), a Japanese national research and development agency. We are also conducting a number of studies on ammonia receiving equipment and hydrogen fuel supply.

In the energy management business, in June 2021 we signed a memorandum of understanding with the Belgian company Qpinch, which has chemical heat pump technology that allows waste heat to be used effectively. Through this partnership we will develop a business that will deploy this technology to further improve energy conservation and reduce CO_2 emissions at industrial facilities.

In the infrastructure area, we began EPC phase work for a copper smelting project that we were awarded in July 2021. In Japan, we are executing EPC phase work for a polypropylene polymerization catalyst manufacturing plant.

Please refer to '3. Production, Contracts and Sales' section for segment-wise amount of New contracts, Net sales and Backlog of contracts.

Information about the digital technology businesses is presented below.

To accelerate company-wide digital transformation (DX), we have established a new Chief Digital Officer (CDO) office directly under the president. Under this framework, Chiyoda cultivates digital experts, digital mindset and culture. Also, Chiyoda pursues three initiatives: (a) Project Execution DX, (b) Corporate Management DX, and (c) DX Business.

(a) In Project Execution DX, we intend to fully digitalize project execution with the aim of improving efficiency, strengthening risk management, and enhancing profitability. To evolve our EPC execution management capabilities, we are sequentially implementing the systems needed to apply Advanced Work Packaging (AWP) at major projects that are underway. Additionally, we are developing a revolutionary system which has cut the number of space design processes that are part of basic plant design work by about 80%, making it possible to create 3D models about five times faster than before, through PlantStream Inc., a joint venture between Chiyoda and Arent Inc., and we are marketing this to plant owners and EPC contractors around the world.

(b) In the area of Corporate Management DX, we will strengthen corporate management through digitalization with the aim of improving business performance and enabling agile resource allocation, while allowing us to accommodate a variety of work styles. We are leveraging digital technologies to further develop the remote work environment, deploying robotic process automation to improve administrative efficiency, and implementing electronic authentication and electronic contracts.

(c) In the DX Business, we are enhancing the value of engineering through digital AI technology, and along with engineering the digital transformation of our customers' plant operations, we are accelerating the creation of new businesses. For customers inside and outside of Japan, we are expanding the availability of both EFEXIS™, a plant operations optimization solution that combines our engineering expertise with digital AI technology, and Mirai Fusion, a digital platform solution for industrial equipment and plants that we are developing along with Cognite and Mitsubishi Corporation.

(2) Financial Information on Business Performance

[Consolidated Balance Sheet]

(Assets)
Total assets decreased by 26,572 million yen from the end of the last fiscal year, with a decrease of cash and deposits of 35,833 million yen, notes receivable, accounts receivable from completed construction contracts and contract assets of 6,323 million yen and others. Jointly controlled assets of joint ventures increased by 10,444 million yen and costs on construction contracts in progress by 4,196 million yen.

(Liabilities)
Total liabilities decreased by 4,302 million yen from the end of last fiscal year, with a decrease of notes payable and accounts payable for construction contracts of 19,037 million yen, other current liabilities of 9,566 million yen, contract liabilities of 2,000 million yen and others. Accounts payable increased by 25,601 million yen.

(Net assets)
Total Net Assets is 14,477 million yen, with a decrease in retained earnings of 18,962 million yen from recording a loss attributable to the owners of the parent and dividends paid.

[Consolidated statement of cash flows]

Cash and cash equivalents (capital) in the consolidated cumulative 2nd quarter is 62,812 million yen, a decrease of 35,926 million yen from the end of the last fiscal year, as detailed below:

(Cash flows from operating activities)
Cash flows from operating activities in the consolidated cumulative 2nd quarter decreased by 32,007 million yen (a YoY decrease of 36,001 million yen). Accounts payable increased by 26,251 million yen. Quarterly loss before income taxes is 14,370 million yen. Jointly controlled assets of joint ventures increased by 9,268 million yen. Provision of loss on construction contracts decreased by 1,711 million yen. Operating cash flows (sum of increases/decreases in accounts receivable, costs on construction contracts in progress, trade payables and contract liabilities) decreased by 24,212 million yen.

(Cash flows from investing activities)
Cash flows from investing activities in the consolidated cumulative 2nd quarter decreased by 2,392 million yen (a YoY decrease of 156 million yen) with 829 million yen of purchase of intangible assets, 305 million yen of purchase of investment securities and 953 million yen of expenditure of loan advances.

(Cash flows from financing activities)
Cash flows from financing activities in the consolidated cumulative 2nd quarter decreased by 3,843 million yen (a YoY decrease of 252 million yen) with 3,636 million yen of dividends paid.

(3) Consolidated Financial Forecasts of the Fiscal Year

There is no change from the consolidated financial forecasts for the fiscal year announced on July 30, 2021. The assumed exchange rate of 111 yen per US dollar remains unchanged.

2. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	106,988	71,154
Notes receivable, accounts receivable from completed construction contracts	48,527	—
Notes receivable, accounts receivable from completed construction contracts, and contract assets	—	42,204
Costs on construction contracts in progress	8,767	12,964
Accounts receivable - other	77,261	73,915
Jointly controlled assets of joint venture	56,845	67,290
Other	8,906	13,560
Allowance for doubtful accounts	△1,405	△1,428
Total current assets	305,891	279,660
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,255	4,893
Land	4,853	4,853
Other, net	1,317	1,095
Total property, plant and equipment	11,426	10,842
Intangible assets	4,371	4,138
Investments and other assets		
Investment securities	5,701	5,869
Retirement benefit asset	566	821
Deferred tax assets	394	255
Other	1,395	1,447
Allowance for doubtful accounts	△164	△24
Total investments and other assets	7,894	8,370
Total non-current assets	23,692	23,350
Total assets	329,583	303,011

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	115,187	96,150
Current portion of long-term borrowings	747	684
Accounts payable - other	4,200	29,801
Income taxes payable	638	493
Advances received on construction contracts in progress	74,784	—
Contract liabilities	—	72,783
Provision for warranties for completed construction	823	3,009
Provision for loss on construction contracts	34,443	34,627
Provision for bonuses	3,834	2,362
Provision for business restructuring	17	18
Other	9,978	412
Total current liabilities	244,657	240,344
Non-current liabilities		
Long-term borrowings	45,000	45,000
Provisions	239	239
Retirement benefit liability	761	808
Other	2,178	2,142
Total non-current liabilities	48,178	48,189
Total liabilities	292,836	288,533
Net assets		
Shareholders' equity		
Share capital	15,014	15,014
Capital surplus	142	142
Retained earnings	15,708	△3,254
Treasury shares	△1,435	△1,435
Total shareholders' equity	29,430	10,467
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	203	162
Deferred gains or losses on hedges	30	△4
Foreign currency translation adjustment	5,300	2,302
Remeasurements of defined benefit plans	1,434	1,206
Total accumulated other comprehensive income	6,969	3,666
Non-controlling interests	348	343
Total net assets	36,747	14,477
Total liabilities and net assets	329,583	303,011

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income) (Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales of completed construction contracts	161,545	147,381
Cost of sales of completed construction contracts	150,406	135,465
Gross profit on completed construction contracts	11,139	11,916
Selling, general and administrative expenses	5,964	5,619
Operating profit	5,174	6,297
Non-operating income		
Interest income	634	201
Dividend income	16	49
Share of profit of entities accounted for using equity method	54	—
Other	156	111
Total non-operating income	861	362
Non-operating expenses		
Interest expenses	420	433
Share of loss of entities accounted for using equity method	—	73
Foreign exchange losses	766	24
Other	77	124
Total non-operating expenses	1,264	655
Ordinary profit	4,770	6,003
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	385	—
Total extraordinary income	385	—
Extraordinary losses		
Project related loss due to settlements with customers	—	20,374
Total extraordinary losses	—	20,374
Profit (loss) before income taxes	5,156	△14,370
Income taxes - current	△774	919
Income taxes - deferred	138	45
Total income taxes	△636	965
Profit (loss)	5,792	△15,335
Loss attributable to non-controlling interests	△2	△8
Profit (loss) attributable to owners of parent	5,795	△15,327

(Consolidated Statement of Comprehensive Income) (Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	5,792	△15,335
Other comprehensive income		
Valuation difference on available-for-sale securities	76	△41
Deferred gains or losses on hedges	△4	△35
Foreign currency translation adjustment	648	△3,000
Remeasurements of defined benefit plans, net of tax	△73	△227
Share of other comprehensive income of entities accounted for using equity method	△76	6
Total other comprehensive income	570	△3,298
Comprehensive income	6,363	△18,634
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,382	△18,629
Comprehensive income attributable to non-controlling interests	△19	△4

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	5,156	△14,370
Depreciation	1,434	1,506
Amortization of goodwill	16	16
Increase (decrease) in provision for loss on construction contracts	4,512	△1,711
Increase (decrease) in provision for business restructuring	△383	―
Interest and dividend income	△650	△250
Share of loss (profit) of entities accounted for using equity method	△54	73
Loss (gain) on sale of shares of subsidiaries and associates	△385	―
Decrease (increase) in trade receivables	11,333	6,462
Decrease (increase) in costs on construction contracts in progress	△5,271	△4,188
Increase (decrease) in trade payables	△24,077	△22,662
Increase (decrease) in advances received on construction contracts in progress	△40,008	―
Increase (decrease) in contract liabilities	―	△3,823
Decrease (increase) in accounts receivable - other	△2,028	7,332
Decrease (increase) in jointly controlled asset of joint venture	12,524	△9,268
Increase (decrease) in accounts payable - other	321	26,251
Other, net	△2,065	△16,702
Subtotal	△39,624	△31,335
Interest and dividends received	371	75
Interest paid	△268	△422
Income taxes refund (paid)	3,520	△324
Net cash provided by (used in) operating activities	△36,001	△32,007

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from investing activities		
Net decrease (increase) in time deposits	269	△0
Purchase of property, plant and equipment	△289	△384
Proceeds from sale of property, plant and equipment	557	1
Purchase of intangible assets	△779	△829
Proceeds from sale of intangible assets	746	—
Purchase of investment securities	△654	△305
Proceeds from sale of investment securities	—	19
Proceeds from the liquidation of subsidiaries and associates	—	57
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	△8	—
Loan advances	△7	△953
Proceeds from collection of loans receivable	8	1
Net cash provided by (used in) investing activities	△156	△2,392
Cash flows from financing activities		
Dividends paid	△0	△3,636
Repayments of lease obligations	△190	△143
Other, net	△61	△63
Net cash provided by (used in) financing activities	△252	△3,843
Effect of exchange rate change on cash and cash equivalents	△1,043	2,317
Net increase (decrease) in cash and cash equivalents	△37,453	△35,926
Cash and cash equivalents at beginning of period	115,932	98,738
Cash and cash equivalents at end of period	78,479	62,812

3. Production, Contracts and Sales

(Millions of yen)

	Apr. 1, 2020－Sep. 30, 2020			Apr. 1, 2021－Sep. 30, 2021		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	59,776 (99.4%)	161,207 (99.8%)	674,501 (100.0%)	360,888 (99.9%)	147,030 (99.8%)	1,332,392 (100.0%)
LNG Plant	9,215 (15.3%)	63,774 (39.5%)	349,351 (51.8%)	6,296 (1.8%)	74,226 (50.4%)	880,807 (66.1%)
Gas Development/Processing/Receiving	1,587 (2.6%)	5,452 (3.4%)	10,232 (1.5%)	449 (0.1%)	1,837 (1.3%)	4,447 (0.3%)
Refinery/Petrochemical	22,054 (36.7%)	60,156 (37.2%)	88,354 (13.1%)	15,981 (4.4%)	32,921 (22.3%)	33,683 (2.5 %)
Pharmaceutical/Biochemistry/ Chemical	19,036 (31.7%)	8,325 (5.2%)	30,733 (4.6%)	24,688 (6.8%)	12,592 (8.5%)	55,357 (4.2 %)
Environment/New Energy/Infrastructure	5,767 (9.6%)	21,798 (13.5%)	193,435 (28.7%)	312,135 (86.4%)	23,529 (16.0%)	356,464 (26.8%)
Others	2,114 (3.5%)	1,699 (1.0%)	2,394 (0.3%)	1,337 (0.4%)	1,924 (1.3%)	1,632 (0.1%)
Other Business	338 (0.6%)	338 (0.2%)	- (-)	350 (0.1%)	350 (0.2%)	- (-)
Total	60,115 (100.0%)	161,545 (100.0%)	674,501 (100.0%)	**361,239 (100.0%)**	**147,381 (100.0%)**	**1,332,392 (100.0%)**
Domestic	45,956 (76.4%)	60,931 (37.7%)	162,795 (24.1%)	44,843 (12.4%)	57,180 (38.8%)	121,799 (9.1%)
Overseas	14,158 (23.6%)	100,614 (62.3%)	511,705 (75.9%)	316,396 (87.6%)	90,201 (61.2%)	1,210,593 (90.9%)

Note1: The backlog of contracts for the six months ended September 30, 2021 includes a decrease due to changes in construction contracts acquired in prior fiscal years, and an increase / decrease due to foreign exchange translation adjustments.

Note2: The total amount of the above table does not include consumption tax.

Note3: There is a change of breakdown category and definition in ‘Engineering’ starting from the 2nd quarter of this fiscal year. The figures for six months of the previous fiscal year are also shown according to the new breakdown category.

4. Others
   1. Ichthys LNG Project

In 2012, JKC, a joint venture of Chiyoda Group, JGC Holdings Corp. (JGC), and US company KBR, Inc. (KBR), was awarded the contract from Ichthys LNG Pty Ltd (the Client) to perform the engineering, procurement, and construction work for LNG facilities (the Project). This plant has been already turned over to the Client.

However, as described below, there are matters between the joint venture, on one hand, and the Client and certain subcontractors, on the other, that are currently the subject of discussion or arbitration. We reached an agreement with the Client to settle out of court, but arbitration is ongoing with certain subcontractors, and if an outcome or ruling is unfavorable to JKC, it could affect the Group's business results by making some of the costs tentatively borne by JKC uncollectible.

(1) Resolution of Dispute with the Client

JKC has continued to engage in discussions and arbitration with the Client concerning various matters relating to the contract for the Project. In connection with one of these matters, a portion of the additional subcontracting cost for onsite work, in April 2021 the Client filed a lawsuit against JGC seeking subrogation, by performance of the parent company guarantee. Amid concern that the arbitration and this lawsuit would be further prolonged partly due to the COVID-19 pandemic, Chiyoda has re-evaluated the foreseeable increase in dispute-related expenses and the risks associated with pursuing this matter until the final ruling/judgment, with a wide possibility of outcomes. As a result, the three JKC joint venture partners (Chiyoda, JGC, and KBR) determined that it would be best to settle various matters with the Client, including this lawsuit, as expeditiously as possible and agreed to settle out of court. The impact of the settlement is reflected in the Group's consolidated-basis financial statements for the first quarter of the fiscal year.

(2) Dispute with Subcontractor

JKC placed the order for the engineering and construction of the Combined Cycle Power Plant (CCPP) that is part of the Project through a fixed-price contract with a consortium of four companies, General Electric Company and General Electric International, Inc., and UGL Infrastructure Pty Limited and CH2M Hill Australia Pty. Limited (collectively, the 'Consortium').

However, the Consortium unilaterally terminated the contract while executing this work, and withdrew from the construction site without the permission of JKC. The Consortium also filed for arbitration to demand payment of additional costs related to circumstances prior to its withdrawal. In light of this situation, JKC has appointed a subcontractor to replace the Consortium in order to fulfill its performance obligations to the Client, and while bearing tentatively the construction costs to proceed with the construction of the CCPP, JKC filed a counterclaim against the Consortium seeking the reimbursement of the construction costs tentatively borne by JKC.

2. Regarding the plant construction project awarded jointly by Chiyoda and our overseas subsidiary

On August 29, 2019 the counterparty to a contract for a plant construction project that was awarded jointly to Chiyoda and overseas subsidiary Chiyoda Sarawak Sdn. Bhd. filed a lawsuit seeking the partial rescission of the arbitral award dated March 11, 2019 and an increase in the damages to be received by the petitioner in conjunction with such a rescission. The High Court of the Republic of Singapore handed down the following ruling on January 29, 2021.

(1) The court found that there were deficiencies in the arbitration procedure and granted partial rescission of the arbitration award.
(2) The court partially rescinded the arbitral award, but found that it was not possible to order an increase in the amount of damages to be paid.
(3) The court ordered a partial change to the calculation made by the arbitral tribunal for the arbitral award.

Dissatisfied with the decision and not accepting either the partial rescission of the arbitral award nor the court's partial change to the calculation made by the arbitral tribunal for the arbitral award, Chiyoda and our overseas subsidiary filed an appeal on March 1, 2021, but the Singapore Court of Appeal dismissed the appeal on September 22, 2021.

Chiyoda will make our decision about any future action after carefully examining the decision and discussing the case with counsel.

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